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PTO/SB/21 (09-04)

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U.S. Patent and Trademark Office, U.S. DEPARTMENT OF COMMERCE

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## TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Total Number of Pages in This Submission

Application Number	09/314,052
Filing Date	May 18, 1999
First Named Inventor	Douglas E. Ott, et al.
Art Unit	3763
Examiner Name	M. Thompson
Attorney Docket Number	1-15372

### ENCLOSURES (Check all that apply)

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Fee Transmittal Form<br><input type="checkbox"/> Fee Attached<br><input type="checkbox"/> Amendment/Reply<br><input type="checkbox"/> After Final<br><input type="checkbox"/> Affidavits/declaration(s)<br><input type="checkbox"/> Extension of Time Request<br><input type="checkbox"/> Express Abandonment Request<br><input type="checkbox"/> Information Disclosure Statement<br><br><input type="checkbox"/> Certified Copy of Priority Document(s)<br><input type="checkbox"/> Reply to Missing Parts/ Incomplete Application<br><input type="checkbox"/> Reply to Missing Parts under 37 CFR 1.52 or 1.53 | <input type="checkbox"/> Drawing(s)<br><input type="checkbox"/> Licensing-related Papers<br><br><input type="checkbox"/> Petition<br><input type="checkbox"/> Petition to Convert to a Provisional Application<br><input type="checkbox"/> Power of Attorney, Revocation<br><input type="checkbox"/> Change of Correspondence Address<br><input type="checkbox"/> Terminal Disclaimer<br><input type="checkbox"/> Request for Refund<br><input type="checkbox"/> CD, Number of CD(s) _____<br><input type="checkbox"/> Landscape Table on CD | <input type="checkbox"/> After Allowance Communication to TC<br><input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences<br><input type="checkbox"/> Appeal Communication to TC (Appeal Notice, Brief, Reply Brief)<br><input type="checkbox"/> Proprietary Information<br><input type="checkbox"/> Status Letter<br><input checked="" type="checkbox"/> Other Enclosure(s) (please identify below): |
|--|--|---|

Remarks

Response to Petition to Inspect

### SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm Name	Marshall & Melhorn, LLC		
Signature			
Printed name	D. Edward Dolgorukov, Esq.		
Date	9/29/04	Reg. No.	26,266

### CERTIFICATE OF TRANSMISSION/MAILING

I hereby certify that this correspondence is being facsimile transmitted to the USPTO or deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on the date shown below:

Signature			
Typed or printed name	D. Edward Dolgorukov, Esq.	Date	9/24/04

This collection of information is required by 37 CFR 1.5. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to 2 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.



I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Mail Stop Petition, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on September 29, 2004,

Lisa Donbrosky

*Lisa Donbrosky*  
(Signature)

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	Douglas E. Ott, et al.	)	
		)	Group Art Unit 3763
Serial No.	09/314,052	)	Examiner: M. Thompson
		)	
Filed:	May 18, 1999	)	Attorney Docket 1-15372
		)	
For:	METHOD AND APPARATUS	)	
	FOR CONDITIONING GAS FOR	)	
	MEDICAL PROCEDURES	)	

September 29, 2004

Mail Stop Petition  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450  
Attn: Michael L. Lewis  
Office of Patent Legal Administration

## RESPONSE TO PETITION TO INSPECT

Honorable Sir:

In response to correspondence received from the United States Patent and Trademark Office, mailed September 15, 2004, in connection with a petition to inspect the above-identified application, Applicant respectfully responds as follows:

**I. Response to Questions Raised by Office of Patent Legal Administration**

The September 15, 2004 letter from Michael Lewis of the Office of Patent Legal Administration makes several specific requests. In response to those requests, Applicants respond as follows.

**A. Applicants Oppose Access**

Applicants oppose access to both the file wrapper and specification of their Application No. 09/314,052.

**B. Carl Johnson**

At the time the submission at issue was made, Carl Johnson represented Lexion Medical Inc., the assignee of United States Patent Nos. 6,068,609 (the '609 Patent) and 5,411,474 (the '474 Patent), Application No. 09/363,234 and Application No. 09/314,052, which are the two patents and two applications referred to in the submission by Mr. Johnson. Mr. Johnson did not represent or have any relationship with Northgate Technologies, Inc., the inventors of record for Application No. 09/896,821, or any other party associated with that application. (Mr. Johnson did not represent Lexion Medical, Inc. in connection with the prosecution of either of the two patent applications to which Northgate seeks access.)

As will be explained more fully below, Mr. Johnson was attempting to make a submission pursuant to 37 C.F.R. §1.99. Mr. Johnson made several mistakes when making that submission.

**II. Factual Background**

Lexion Medical, Inc. ("Lexion") became aware of Application No. 09/896,821, assigned to Northgate Technologies, Inc. (the application hereafter referred to as the "Northgate Application" and Northgate hereafter referred to as "Northgate"). Lexion personnel believed that two of its issued patents and two of its pending applications were potentially relevant to the examination of the Northgate Application. As 37 C.F.R. §1.99 does not allow an explanation of relevance, no explanation will be provided in this Response to Petition to Inspect as to why Lexion believed its patents and applications relevant.

Lexion contacted Mr. Johnson to see whether there was a way to make the patent office aware of its patents and applications. Mr. Johnson made the submission in question in response to Lexion's request. Lexion has no in-house counsel and did not review the submission for compliance with 37 C.F.R. §1.99. Lexion relied upon Mr. Johnson to provide the submission to the patent office. Upon reviewing the petition, Lexion concedes that Mr. Johnson should not have submitted information concerning Lexion's patent applications and that the form of Mr. Johnson's submission did not comply with 37 C.F.R. §1.99. Mr. Johnson made an honest mistake when he made his submission.

As explained in Mr. Johnson's declaration (Exhibit 1, attached to this response), he was attempting to make the submission under Rule 1.99. He asked another person to draft the document for his signature. That person thought that Mr. Johnson had reviewed Rule 1.99 while Mr. Johnson thought that the person drafting the document was reviewing the rule. Thus, due to a miscommunication, no one checked the document for compliance with Rule 1.99 before the document was sent to the patent office.

Lexion believes that Northgate has been willfully infringing the '609 and '474 patents. Lexion filed suit alleging the same on March 19, 2004 in the United States District Court for the Eastern District of Texas. Northgate filed an answer along with declaratory judgment counterclaims of invalidity and non-infringement on May 24, 2004 (Exhibit 2, attached to this response). Most importantly for deciding this petition, Northgate did not file any counterclaim for interference with its business. Northgate has not asked to amend its pleadings to allege such a claim or suggested that it would make such a claim.

### **III. The Petition Should be Denied**

#### **A. No Interference With Northgate's Business Occurred**

Lacking any strong justification for access, Northgate attempts to shoehorn the relevant facts into the M.P.E.P.'s description of what might constitute special circumstances--specifically interference with a competitor's business. *See* M.P.E.P. §103. What occurred here, however, is a far cry from what precedent deems an interference with a competitor's business. Northgate's actions further suggest that it does not actually believe that Lexion interfered with its business in some improper manner. As noted above, Lexion sued Northgate for patent infringement and

Northgate did not file any counterclaim concerning interference with its business. Northgate never filed a separate suit making such a claim. Northgate never threatened such a claim.

Here, Northgate has produced no evidence that its business has been interfered with in any way. Its claim of interference is founded solely upon the fact that it received several letters from Lexion. Northgate has not explained how those letters interfered with its business. It certainly has provided no evidence to that effect.

Moreover, Lexion's cease and desist letter does not even mention its patent applications. It states that Northgate is "infringing at least one or more of the claims of our patents." (Exhibit C to Northgate's Petition, emphasis added). Thus, Lexion's letter dealt with issued patents, not the patent applications in question. Access to pending patent applications based upon a cease and desist letter concerning issued patents would be unprecedented.

Lexion's conduct falls well within the bounds of proper conduct under applicable precedent. In *In re Crossman*, 187 U.S.P.Q. 367, 368 (PTO Sol. 1975), the Patent and Trademark Office Solicitor determined that the owner of patent applications (as opposed to issued patents which were the subject of Lexion's letter) was perfectly within its rights to warn a third party and its actual or potential customers that it intended to enforce patents if and when those patents issued. Not only did those warnings not constitute "special circumstances," they did not exceed "the bounds of propriety." *Id.* Similarly, in *In re Application for Trimless Cabinets*, 128 USPQ 95, 96 (Comm'r Pats. 1960), the Commissioner determined that special circumstances did not exist because patent owner warned a potential infringer that there is a pending patent application which may cover the product that the potential infringer makes, uses, or sells.

Thus, Lexion's letters are proper conduct for a patent owner. The fact that Mr. Johnson accidentally failed to comply with Rule 1.99 does not somehow transform this situation into an interference with Northgate's business. Had it done so, Northgate would have brought a claim against Lexion in the ongoing patent litigation (or in another forum). The simple fact is that there has been no interference with Northgate's business as exemplified by Northgate's failure to explain any impact on its business, let alone present any evidence of such an impact.

Equally irrelevant are Northgate's complaints that it faces uncertainty as to whether Lexion's applications will mature into patents that read on its commercial device. This uncertainty exists with any pending application that has not yet been allowed. Moreover, this uncertainty would continue to exist even if Northgate is granted access to Lexion's applications because Northgate will not know what the final claims will be until they are allowed.

**B. Northgate Can Easily Comply With Rule 56**

Northgate's contention that it cannot comply with Rule 56 without copies of Lexion's patent applications is confusing. Not infrequently, patent applicants become aware of information that may be material to patentability where they have no written document to submit to the patent office. For example, a third party might make an allegation that they sold a product more than a year before the patent application was filed, but the patent applicant may have no information about the sale other than the allegation. In such instances, applicants comply with the duty of disclosure by calling the Examiner's attention to the information in the possession of the applicant, frequently in the form of a statement in an office action response.

Here, Northgate can easily comply with its duty simply by telling the Examiner that Lexion attempted to submit their patent applications under Rule 1.99 and provide the Examiner with the serial number and filing date of those applications. Unless Northgate has further information that Lexion is not aware of, that is all the information that Northgate possesses and can obtain. Northgate has investigated potential materiality by requesting access to Lexion's application and Lexion has refused to provide access. A party that tells the Examiner all that it knows about potentially material information and has made reasonable efforts to investigate would seem to have complied with Rule 56.

**C. Northgate Is Not Prejudiced If Only the Examiner Reviews Lexion's Applications**

Northgate complains that the Examiner is denied the opportunity to review potential prior art if Northgate does not obtain access to Lexion's applications. Northgate's reasoning is faulty as only Northgate is denied the opportunity to review Lexion's applications. The Examiner is free to do so because the Examiner has the serial numbers of the applications and the ability

under the rules of the Patent Office to review those applications. As Examiners often make such a review, no special circumstances are presented here.

An Examiner often has multiple applications on his or her desk that claim and/or disclose the same invention. If those applications are unpublished, then the Examiner may consider such applications for: (a) potential effect under 102(e) if one of the applications issues as a patent; or (b) potential declaration of an interference. The Examiner makes those determinations, however, without disclosing the existence of the applications or their contents to the respective patent applicants. Thus, if the Examiner chooses to consider Lexion's applications here, the situation will be similar to what occurs in the patent office every day. Examiners often consider other applications without applicants knowing that such consideration occurred.

Examiners often consider other information that is not provided to applicants and that applicants do not know that the Examiner has considered. Examiners review prior art during a search and discard prior art that they deem unimportant. Examiners use their general knowledge and experience, whether consciously or unconsciously, in evaluating questions of patentability. Examiners often have discussions with other Examiners about the state of the art and, in the process, discuss prior art that is never provided to the applicant or discussed in the file history.

Overall, Examiners frequently consider information that is not available to the applicant in the normal course of patent prosecution. This is particularly true where potential interferences or potential future 102(e) rejections are concerned. There is nothing unusual or special about such circumstances.

Northgate fails to explain how the asserted prejudice is remedied if it gets access to Lexion's applications. Even if Northgate obtains access, the potential 102(e) issue exists and will exist until Lexion's applications either issue or are abandoned. Access changes nothing. The Examiner cannot make a 102(e) rejection until a Lexion application issues as a patent. Access also changes nothing with regard to 102(g). If the Examiner thinks an interference is warranted, the Examiner will declare one. The decision as to whether to declare an interference is given to the Patent Office, not to patent applicants.

Thus, Northgate does not need access to “properly correspond” with the Examiner on 102(g) issues. If the Examiner thinks an interference should be declared, then the Examiner will declare an interference. At that point, Northgate will have access to whatever it is entitled to have access to under the interference rules. If no interference is declared, then Northgate has not suffered any prejudice due to its lack of access.

Northgate also alleges that the Examiner may have doubt about whether the best prior art is being considered and, therefore, the Examiner would be hesitant to issue a patent. As the Federal Circuit has repeatedly emphasized, patent Examiners are presumed to do their jobs in compliance with applicable statutes and regulations. *See Brooktree Corporation v. Advanced Micro Devices*, 977 F.2d 1555, 1574 (Fed. Cir. 1993). Doubt and hesitation are not proper bases for rejection of a patent. Lexion presumes that the examiner of the Northgate Application will examine the applications in accordance with standard procedure.

#### **IV. Conclusion**

Northgate has not met its burden of proving special circumstances justifying access to Lexion’s patent applications. Northgate has provided no evidence of interference with its business. Northgate can easily comply with Rule 56. Northgate has also failed to show any prejudice if the Examiner is allowed to look at Lexion’s patent applications while Northgate is not allowed.

Northgate’s failure to show prejudice if only the Examiner is allowed to review Lexion’s applications is not surprising. If Northgate could show such prejudice, then almost any party would be prejudiced by the rules that maintain pending applications in secret because Examiners frequently consider other pending applications on their desk to determine whether an interference is warranted and or whether the issuance of one application might have a 102(e) effect on other applications. This occurs routinely, is supposed to occur routinely, and is a positive part of PTO practice. By making such a review, confidentiality of applications is preserved while lessening the changes that applications will issue as patents that will later be declared invalid under 102(e) and/or 102(g).



Lexion's representative with respect to the Rule 1.99 submission, Mr. Johnson, made an honest mistake in attempting to submit Lexion's applications for consideration in connection with the Northgate application. Under the circumstances, Lexion should not be penalized for Mr. Johnson's mistake. Northgate has not suffered any real prejudice and has not demonstrated that special circumstances exist justifying access.

For the foregoing reasons, Northgate's petition for access should be denied.

Respectfully submitted,

---

D. Edward Dolgorukov  
Registration No. 26,266

ATTORNEYS

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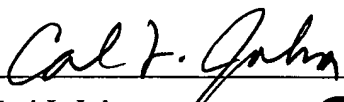


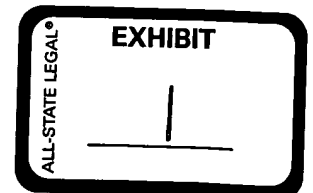
## DECLARATION OF CARL JOHNSON

I, Carl Johnson, declare as follows:

1. I am over the age of 18, of sound mind, and competent in all respects to make this declaration.
2. I am the person who signed the document attached as Exhibit A and submitted to the Patent Office.
3. I intended this document as a third party submission under Rule 1.99.
4. I do not represent Robert Mantell or Northgate Technologies and have never represented either party.
5. I acknowledge that my submission does not meet the requirements of Rule 1.99, but I did not realize that at the time I made my submission.
6. I did not intend to violate Rule 1.99 when I made my submission. I asked another person to draft Exhibit A for me prior to the time that I submitted that document to the Patent Office. When I submitted the document, I thought that the person who drafted Exhibit A had checked Rule 1.99 to make sure that Exhibit A was in compliance with the rule. Prior to drafting the present declaration, the person who drafted Exhibit A explained to me that he thought I had checked Exhibit A for compliance with Rule 1.99. Due to this miscommunication, I submitted Exhibit A to the Patent Office without that document being reviewed for compliance with Rule 1.99.
7. I hereby declare that all statements made herein are of my own knowledge, are true, and that all statements were made on information and belief are believed to be true; and further, all statements were made with knowledge that willful false statements and the like so made are punishable by fine, or imprisonment, or both, under Section 1001 of Title 18 of the U.S.C.

Executed on this 27<sup>th</sup> day of September, 2004

  
Carl L Johnson



**JACOBSON AND JOHNSON**  
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P.O. Box 1450  
Alexandria, VA 22313-1450

**COPY**

September 2, 2003

**DISCLOSURE OF RELEVANT DOCUMENTS TO U.S.  
PATENT PUBLICATION SERIAL No. 2002/0072700**

Application: 09/896,821  
Applicant: Robert R. Mantell  
Titled: METHOD AND APPARATUS FOR HUMIDIFICATION  
AND WARMING OF AIR  
Filed: June 29, 2001

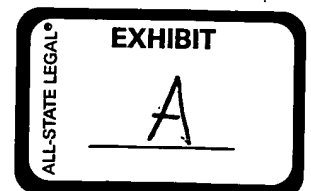
Sir,

The petitioner respectfully direct the attention of the Examiner handling the above-identified case to the following references, which the petitioner submits is relevant prior art for Robert R. Mantell's U.S. Patent Application Serial No. 09/896,821; U.S. PATENT PUBLICATION SERIAL No. 2002/0072700:

U.S. Patent Number 6,068,609; listing Douglas E. Ott as the inventor;  
U.S. Patent Number 5,411,474; listing Douglas E. Ott as the inventor.

U.S. Patent Application Serial Number 09/314,052; filed 5/18/1999;  
listing Douglas E. Ott as the inventor.

U.S. Patent Application Serial Number 09/363,234; filed 7/27/1999;  
listing Douglas E. Ott as the inventor.



FORM PTO-1449  
(Rev. 7-90)U.S. DEPARTMENT OF COMMERCE  
PATENT AND TRADEMARK OFFICE

ATTY. Docket No.

SERIAL NO.

09/896,821

INFORMATION DISCLOSURE  
STATEMENT BY Douglas E. Ott

APPLICANT

Robert R. Mantell

FILING DATE

June 29, 2001

CIRCUIT

## U.S. Patent Documents

Examiner Initial	Document Number	Date	Name	Class	Subclass	Filing date if appropriate
AA	6,068,609	05/30/2000	Ott et al.	604	26	
AB	5,411,474	05/02/1995	Ott et al.	604	26	
AC						
AD						
AE						
AF						
AG						
AH						
AI						
AJ						
AK						
AL						

## U.S. Patent Application Documents

Examiner Initial	Document Number	Filing Date	Name	Class	Subclass	Publication date if appropriate
AM	09/314,052	5/18/1999	Douglas E. Ott			
AN	09/363,234	7/27/1999	Douglas E. Ott			
AO						
AP						
AQ						
AR						

## Other Prior Art

Examiner Initial	(Include Author, Title, Date, Pertinent Pages, Etc.)
AS	
AT	
AU	

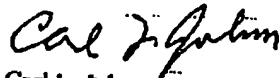


Enclose, please find an information disclosure statement listing the above-identified references.

Yours very truly,

JACOBSON AND JOHNSON

By



Carl L. Johnson

Reg. No 24,273

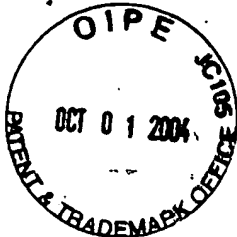
Attorneys for Applicant

Suite 285

One West Water Street

St. Paul, Minnesota 55107-2080

CLJ/cj  
Enclosure



IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
BEAUMONT DIVISION

LEXION MEDICAL, LLC

Plaintiff,

v.

NORTHGATE TECHNOLOGIES, INC.  
SMITH & NEPHEW, INC. AND  
LINVATEC CORPORATION,

Defendants.

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CIVIL ACTION NO. 1:04CV 0167

**NORTHGATE'S ANSWER, AFFIRMATIVE DEFENSES AND  
COUNTERCLAIMS TO FIRST AMENDED COMPLAINT**

Pursuant to Fed. R. Civ. P. 8, Defendant Northgate Technologies, Inc.

("Northgate"), hereby answers Lexion Medical, LLC's ("Lexion") First Amended

Complaint and asserts affirmative defenses and counterclaims as follows:

1. Lexion is a Delaware limited liability company with its principal place of business at 1957 Gateway Boulevard, St. Paul, MN 55112-2750. Lexion has developed medical devices useful in surgical procedures.

**ANSWER:**

Northgate admits that Lexion is a Delaware limited liability company with its principal place of business at 1957 Gateway Boulevard, St. Paul, MN 55112-2750.

Northgate is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 1, and therefore denies these allegations.

2. Defendant Northgate Technologies, Inc. (Northgate) is an Illinois corporation with its principal place of business at 600 Church Road, Elgin, IL 60123.



**ANSWER:**

Admitted.

3. Upon information and belief, Defendant Smith & Nephew, Inc. (Smith & Nephew) is a Delaware Corporation with its principal place of business at 1450 Brooks Rd., Memphis, TN 38116. Upon information and belief, Defendant Smith & Nephew, Inc. has an endoscopy division with a principal place of business at 150 Minuteman Road, Andover, MA 01810.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 3, and therefore denies these allegations.

4. Defendant Linvatec Corporation (Linvatec) is a Florida corporation with its principal place of business at 11311 Concept Blvd., Largo, FL 33773.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 4, and therefore denies these allegations.

5. Upon information and belief, Defendant Northgate has done and continues to do business in the State of Texas, including the Eastern District, by, among other things, committing acts, either by itself or through intermediaries, that constitute the tort of infringement of Lexion's United States Patent No. 5,411,474 (the '474 Patent) and Lexion's United States Patent No. 6,068,609 (the '609 Patent) in this state and district.

**ANSWER:**

Northgate admits that it has done and continues to do business in the State of Texas, including the Eastern District, by itself or through intermediaries, but denies the remaining allegations.

6. Upon information and belief, Defendant Smith & Nephew has done and continues to do business in the State of Texas, including the Eastern District, by, among other things, committing acts, either by itself or through intermediaries, that constitute the tort of infringement of Lexion's United States Patent No. 5,411,474 (the '474 Patent) and Lexion's United States Patent No. 6,068,609 (the '609 Patent) in this state and district.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 6, and therefore denies these allegations.

7. Upon information and belief, Defendant Linvatec has done and continues to do business in the State of Texas, including the Eastern District, by, among other things, committing acts, either by itself or through intermediaries, that constitute the tort of infringement of Lexion's United States Patent No. 5,411,474 and Lexion's United States Patent No. 6,068,609 in this state and district.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 7, and therefore denies these allegations.

8. The jurisdiction of this Court is proper under 28 U.S.C. §§ 1331, 1338. This action is a suit for patent infringement under the patent laws of the United States, 35 U.S.C. § 1 et. seq.

**ANSWER:**

Northgate admits that the First Amended Complaint purports to be a suit for patent infringement, and admits that this Court has jurisdiction over a suit for patent infringement under 28 U.S.C. §§ 1331 and 1338, but denies that there is any actionable claim.



9. Upon information and belief, Defendant Northgate sells products used for the heating and/or humidification of gas used during medical procedures (the Northgate Products). Upon information and belief, Defendant Northgate has, either directly or through an intermediary, sold or offered to sell Northgate Products in the Eastern District of Texas or has distributed, sold, or offered to sell such products under circumstances in which it was reasonably foreseeable that such products would be shipped into, used, sold, or offered for sale in the Eastern District. Upon information and belief, Defendant Northgate has done business in the Eastern District either directly or through intermediaries. Upon information and belief, Defendant Northgate has committed the tort of patent infringement in the Eastern District. Accordingly, Defendant Northgate resides in the Eastern District as the term "reside" is defined in 28 U.S.C. § 1391(c) and, therefore, venue in the Eastern District is proper under 28 U.S.C. §§ 1391(b), 1400(b).

**ANSWER:**

Northgate admits that it sells products used for heating and humidifying gas used during medical procedures and that it has sold one of these products in the Eastern District of Texas through intermediaries. Northgate also admits that venue is proper, but contends that it is inconvenient as asserted in Defendants' Motion to Transfer to the Northern District of Illinois. As set forth in the Motion, none of the parties are incorporated in Texas or have principal places of business within the Eastern District of Texas. The majority of the defendants' material witnesses and relevant documents are located in the Northern District of Illinois; and, presumably any Lexion employees that may testify in this case or any Lexion documents used in this case are located in Minnesota. As a result, the Eastern District of Texas is an inconvenient forum when compared with the Northern District of Illinois. Northgate denies the remaining allegations.

10. Defendant Northgate is subject to personal jurisdiction in Texas and this district.

**ANSWER:**

Admitted.

11. Upon information and belief, Defendant Smith & Nephew sells products used for the heating and/or humidification of gas used during medical procedures (the Smith & Nephew Products). Upon information and belief, Defendant Smith & Nephew has, either directly or through an intermediary, sold or offered to sell Smith & Nephew Products in the Eastern District of Texas or has distributed, sold, or offered to sell such products under circumstances in which it was reasonably foreseeable that such products would be shipped into, used, sold, or offered for sale in the Eastern District. Upon information and belief, Defendant Smith & Nephew has done business in the Eastern District either directly or through intermediaries. Upon information and belief, Defendant Smith & Nephew has committed the tort of patent infringement in the Eastern District. Accordingly, Defendant Smith & Nephew resides in the Eastern District as the term "reside" is defined in 28 U.S.C. § 1391(c) and, therefore, venue in the Eastern District is proper under 28 U.S.C. §§ 1391(b), 1400(b).

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 11, and therefore denies these allegations.

12. Defendant Smith & Nephew is subject to personal jurisdiction in Texas and this district.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 12, and therefore denies these allegations.

13. Upon information and belief, Defendant Linvatec sells products used for the heating and/or humidification of gas used during medical procedures (the Linvatec Products). Upon information and belief, Defendant Linvatec has, either directly or through an intermediary, sold or offered to sell Linvatec Products in the Eastern District of Texas or has distributed, sold, or offered to sell such products under circumstances in which it was reasonably foreseeable that such products would be shipped into, used, sold, or offered for sale in the Eastern District. Upon information and belief, Defendant Linvatec has done business in the Eastern District either directly or through intermediaries. Upon information and belief, Defendant Linvatec has committed the tort of patent infringement in the Eastern District. Accordingly, Defendant Linvatec resides in the Eastern District as the term "reside" is defined in 28 U.S.C. § 1391(c) and, therefore, venue in the Eastern District is proper under 28 U.S.C. §§ 1391(b), 1400(b).

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 13, and therefore denies these allegations.

14. Defendant Linvatec is subject to personal jurisdiction in Texas and this district.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 14, and therefore denies these allegations.

15. United States Patent No. 5,411,474, of which Douglas E. Ott, John F. Schaefer, and Robert I. Gray are listed as the inventors, (the '474 Patent) was duly and legally issued on May 2, 1995 by the United States Patent and Trademark Office. Lexion is the owner of the '474 Patent by assignment.

**ANSWER:**

Northgate admits that Douglas E. Ott, John F. Schaefer and Robert I. Gray are listed as the inventors on U.S. Patent No. 5,411,474 (the '474 Patent) and that the patent lists May 2, 1995 as the issue date. Northgate is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 15, and therefore denies these allegations.

16. The '474 Patent describes a novel method and apparatus for supplying heated and humidified gas to a patient during a medical procedure.

**ANSWER:**

Northgate admits that the '474 Patent describes a method and apparatus for supplying heated and humidified gas to a patient during a medical procedure. Northgate denies that the method and apparatus described are "novel."

17. Defendant Northgate, without permission of Lexion, has been and still is infringing one or more claims of the '474 Patent as infringement is defined by 35 U.S.C. § 271. Lexion requests an award of its actual damages caused by such infringement pursuant to 35 U.S.C. § 284.

**ANSWER:**

Denied.

18. To the extent that Defendant Northgate has continued or does continue its infringing activities after receiving notice of the '474 Patent, such infringement is willful, entitling Lexion to the recovery of treble damages pursuant to 35 U.S.C. § 284. In addition, this is an "exceptional case" justifying an award of attorneys' fees and costs to Lexion pursuant to 35 U.S.C. § 285.

**ANSWER:**

Denied.

19. Lexion believes that Defendant Northgate will continue to infringe the '474 Patent unless enjoined by this Court. Lexion requests, in addition to an award of its actual damages that have accrued to the date of Judgment, a permanent injunction against infringement from the date of Judgment until expiration of the '474 Patent.

**ANSWER:**

Denied.

20. Defendant Smith & Nephew, without permission of Lexion, has been and still is infringing one or more claims of the '474 Patent as infringement is defined by 35 U.S.C. § 271. Lexion requests an award of its actual damages caused by such infringement pursuant to 35 U.S.C. § 284.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 20, and therefore denies these allegations.

21. To the extent that Defendant Smith & Nephew has continued or does continue its infringing activities after receiving notice of the '474 Patent, such infringement is willful, entitling Lexion to the recovery of treble damages pursuant to 35 U.S.C. § 284. In addition, this is an "exceptional case" justifying an award of attorneys' fees and costs to Lexion pursuant to 35 U.S.C. § 285.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 21, and therefore denies these allegations.

22. Lexion believes that Defendant Smith & Nephew will continue to infringe the '474 Patent unless enjoined by this Court. Lexion requests, in addition to an award of its actual damages that have accrued to the date of Judgment, a permanent injunction against infringement from the date of Judgment until expiration of the '474 Patent.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 22, and therefore denies these allegations.

23. Defendant Linvatec, without permission of Lexion, has been and still is infringing one or more claims of the '474 Patent as infringement is defined by 35 U.S.C. § 271. Lexion requests an award of its actual damages caused by such infringement pursuant to 35 U.S.C. § 284.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 23, and therefore denies these allegations.

24. To the extent that Defendant Linvatec has continued or does continue its infringing activities after receiving notice of the '474 Patent, such infringement is willful, entitling Lexion to the recovery of treble damages pursuant to 35 U.S.C. § 284. In addition, this is an "exceptional case" justifying an award of attorneys' fees and costs to Lexion pursuant to 35 U.S.C. § 285.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 24, and therefore denies these allegations.

25. Lexion believes that Defendant Linvatec will continue to infringe the '474 Patent unless enjoined by this Court. Lexion requests, in addition to an award of its actual damages that have accrued to the date of Judgment, a permanent injunction against infringement from the date of Judgment until expiration of the '474 Patent.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 25, and therefore denies these allegations.

26. United States Patent No. 6,068,609, of which Douglas E. Ott, John F. Schaefer, and Robert I. Gray are listed as the inventors, (the '609 Patent) was duly and legally issued on May 30, 2000 by the United States Patent and Trademark Office. Lexion is the owner of the '609 Patent by assignment.

**ANSWER:**

Northgate admits that Douglas E. Ott, John F. Schaefer and Robert I. Gray are listed as the inventors on U.S. Patent No. 6,089,609 (the '609 Patent) and that the patent lists May 30, 2000 as the issue date. Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 26, and therefore denies these allegations.

27. The '609 Patent describes a novel apparatus for supplying humidified gas to a patient during a medical procedure.

**ANSWER:**

Northgate admits that the '609 Patent describes an apparatus for supplying heated and humidified gas to a patient during a medical procedure. Northgate denies that the apparatus described is "novel."

28. Defendant Northgate, without permission of Lexion, has been and still is infringing one or more claims of the '609 Patent as infringement is defined by 35 U.S.C. § 271. Lexion requests an award of its actual damages caused by such infringement pursuant to 35 U.S.C. § 284.

**ANSWER:**

Denied.

29. To the extent that Defendant Northgate has continued or does continue its infringing activities after receiving notice of the '609 Patent, such infringement is willful, entitling Lexion to the recovery of treble damages pursuant to 35 U.S.C. § 284. In addition, this is an "exceptional case" justifying an award of attorneys' fees and costs to Lexion pursuant to 35 U.S.C. § 285.

**ANSWER:**

Denied.

30. Lexion believes that Defendant Northgate will continue to infringe the '609 Patent unless enjoined by this Court. Lexion requests, in addition to an award of its actual damages that have accrued to the date of Judgment, a permanent injunction against infringement from the date of Judgment until expiration of the '609 Patent.

**ANSWER:**

Denied.

31. Defendant Smith & Nephew, without permission of Lexion, has been and still is infringing one or more claims of the '609 Patent as infringement is defined by 35 U.S.C. § 271. Lexion requests an award of its actual damages caused by such infringement pursuant to 35 U.S.C. § 284.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 31, and therefore denies these allegations.

32. To the extent that Defendant Smith & Nephew has continued or does continue its infringing activities after receiving notice of the '609 Patent, such infringement is willful, entitling Lexion to the recovery of treble damages pursuant to 35 U.S.C. § 284. In addition, this is an "exceptional case" justifying an award of attorneys' fees and costs to Lexion pursuant to 35 U.S.C. § 285.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 32, and therefore denies these allegations.

33. Lexion believes that Defendant Smith & Nephew will continue to infringe the '609 Patent unless enjoined by this Court. Lexion requests, in addition to an award of its actual damages that have accrued to the date of Judgment, a permanent injunction against infringement from the date of Judgment until expiration of the '609 Patent.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 33, and therefore denies these allegations.

34. Defendant Linvatec, without permission of Lexion, has been and still is infringing one or more claims of the '609 Patent as infringement is defined by 35 U.S.C. § 271. Lexion requests an award of its actual damages caused by such infringement pursuant to 35 U.S.C. § 284.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 34, and therefore denies these allegations.



35. To the extent that Defendant Linvatec has continued or does continue its infringing activities after receiving notice of the '609 Patent, such infringement is willful, entitling Lexion to the recovery of treble damages pursuant to 35 U.S.C. § 284. In addition, this is an "exceptional case" justifying an award of attorneys' fees and costs to Lexion pursuant to 35 U.S.C. § 285.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 35, and therefore denies these allegations.

36. Lexion believes that Defendant Linvatec will continue to infringe the '609 Patent unless enjoined by this Court. Lexion requests, in addition to an award of its actual damages that have accrued to the date of Judgment, a permanent injunction against infringement from the date of Judgment until expiration of the '609 Patent.

**ANSWER:**

Northgate is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 36, and therefore denies these allegations.

**AFFIRMATIVE DEFENSES**

Further responding to Lexion's First Amended Complaint, Northgate asserts the following affirmative defenses and reserves the right to further amend its Answer as additional information becomes available:

1. Venue in the Eastern District of Texas is inconvenient.
2. Lexion's claims for relief are barred, in whole or in part, by laches.
3. Lexion's claims for relief are barred, in whole or in part, by estoppel.
4. Northgate incorporates by reference as affirmative defenses the allegations set forth below supporting its Counterclaims.



### **COUNTERCLAIMS**

For its Counterclaims against Lexion, Northgate states as follows:

1. This Court has jurisdiction over these Counterclaims pursuant to Fed. R. Civ. P. 13. Jurisdiction in this Court is also proper pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201 and 2202. Venue is proper for these Counterclaims because Lexion elected this forum for suit and pursuant to 28 U.S.C. §§ 1391(c) and 1400(b).
2. An actual controversy exists between the parties as to the asserted infringement and validity of U.S. Patent Nos. 5,411,474 or 6,089,609 ("the patents-in-suit").

#### **COUNT I**

##### **DECLARATION OF NON-INFRINGEMENT OF THE PATENTS-IN-SUIT**

3. Northgate repeats and realleges the allegations of paragraphs 1 through 2.
4. Northgate has not infringed and is not infringing, either directly, contributorily, or by active inducement any claim of U.S. Patent Nos. 5,411,474 or 6,089,609.

#### **COUNT II**

##### **DECLARATION OF INVALIDITY OF THE PATENTS-IN-SUIT**

5. Northgate repeats and realleges the allegations of paragraphs 1 through 2.
6. U.S. Patent Nos. 5,411,474 and 6,089,609 are invalid for failure to meet at least one of the statutory requirements of Title 35 of the United States Code, including, but not limited to, 35 U.S.C. §§ 102, 103 and 112.

**PRAYER FOR RELIEF**

**WHEREFORE**, Northgate prays for a judgment:

- a) The entry of judgment in favor of Northgate, and against Lexion, on all counts of Lexion's First Amended Complaint.
- b) Declaring that Northgate has not infringed any claim of U.S. Patent Nos. 5,411,474 and 6,089,609.
- c) Declaring that U.S. Patent Nos. 5,411,474 and 6,089,609 are invalid.
- d) A finding that this case be declared exceptional and that Northgate be awarded its attorneys' fees and costs as provided by 35 U.S.C. § 285.
- e) Granting such other and further relief as the Court may deem just and proper.

Dated: May 24, 2004

Respectfully submitted,

BRINKS HOFER GILSON & LIONE

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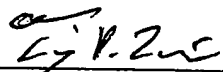
## **CERTIFICATE OF SERVICE**

I hereby certify that on this 24th day of May, 2004, copies of the foregoing  
**NORTHGATE'S ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS  
TO FIRST AMENDED COMPLAINT** were served upon counsel of record in the manner  
indicated.

### **BY FEDERAL EXPRESS**

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